

## Message Text

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ACTION ARA-10

INFO OCT-01 EUR-12 ISO-00 IO-10 EB-07 AID-05 CIAE-00

DODE-00 PM-03 H-02 INR-07 L-02 NSAE-00 NSC-05 PA-02

PRS-01 SP-02 SS-15 USIA-15 OIC-02 OES-05 STR-04 OMB-01

TRSE-00 /111 W

----- 109164

R 122314Z MAY 75

FM AMEMBASSY PORT OF SPAIN

TO SECSTATE WASHDC 7751

INFO AMEMBASSY BRIDGETOWN

AMEMBASSY CARACAS

AMEMBASSY GEORGETOWN

AMEMBASSY KINGSTON

AMEMBASSY LONDON

UNCLAS PORT OF SPAIN 1127

E.O. 11652: N/A

TAGS: PFOR, EAID, EINV, XM, UK, GJ

SUBJ: GAIRY CRITICAL OF UK IN TRINIDAD

REF: POS 1036

SUMMARY: GRENADA'S PRIME MINISTER CONTINUED HIS PUBLIC ATTACKS ON THE UK DURING HIS BRIEF STAY IN TRINIDAD AND ALSO DISPUTED PRIME MINISTER WILLIAMS' CHARGES THAT A "RECOLONIZATION" OF THE CARIBBEAN IS UNDERWAY. END SUMMARY.

1. IN PORT OF SPAIN TO REPRESENT GRENADA AT THE ECLA CONFERENCE, PRIME MINISTER ERIC GAIRY CONTINUED THE DIATRIBES AGAINST THE UK WHICH HAD CHARACTERIZED HIS PERFORMANCE AT THE COMMONWEALTH CONFERENCE IN KINGSTON. AT A PRESS CONFERENCE AT HIS HOTEL ROOM ON MAY 7, GAIRY ACCUSED THE UK OF "ECONOMIC CRUELTY" TO THE PEOPLE OF GRENADA AND THREATENED TO TAKE THE ISSUE OF BRITISH AID TO THE INTERNATIONAL COURT OF JUSTICE. HE SAID THAT THE

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UK HAD EXPLOITED GRENADA FOR 191 YEARS AND COMMITTED

CRIMES GRAVER THAN THOSE OF ADOLF HITLER.

2. SPECIFICALLY, GAIRY CLAIMED THAT THE UK HAD WRONGLY ACCUSED HIS COUNTRY OF MISSPENDING AID FUNDS AND HAD WITHHELD THE PROMISED US\$240,000 INDEPENDENCE GIFT. HE ADMITTED THAT HE HAD USED SOME \$480,000 OF BRITISH AID MONEY ON "CERTAIN PROJECTS" DUE TO THE CRITICAL AID MONEY ON "CERTAIN PROJECTS" DUE TO THE CRITICAL ECONOMIC PROBLEMS THE COUNTRY WAS UNDERGOING, BUT THIS WAS NORMAL AND HE PLANNED TO REPLACE THE MONEY FROM THE COUNTRY'S REVENUES. GAIRY WENT ON TO SAY THAT HE WOULD FURTHER AIR HIS CHARGES AT THE UNITED NATIONS.

3. THE BRITISH HIGH COMMISSION IN PORT OF SPAIN RESPONDED TO GAIRY'S CHARGES IN A PREPARED STATEMENT WHICH SAID THAT THE GOVERNMENT OF GRENADA HAD MISAPPROPRIATED \$600,000 OF THE FUNDS GIVEN BY THE UK TO BE SPENT ON SPECIFIED AID PROJECTS. ACCORDING TO THE STATEMENT, GRENADA ACCEPTED THE FACT THAT IT HAD MISUED THE MONEY AND AGREED, IN WRITING, TO MAKE RESTITUTION BY GIVING UP THE INDEPENDENCE GIFT AND MAKING MONTHLY INSTALLMENT PAYMENTS DURING 1975 AND 1976. SO FAR, THE HIGH COMMISSION CHARGED, GRENADA HAD MADE ONLY ONE PAYMENT OF \$15,000, ALTHOUGH THE UK HAD RESUMED NORMAL AID RELATIONS AFTER RECEIVING GRENADA'S PROMISE TO REPAY. THE HIGH COMMISSION STATED THAT THE UK HAD AGREED TO PROVIDE GRENADA WITH \$5.4 MILLION IN CAPITAL AID DURING THE 1974-77 PERIOD AND IN JANUARY 1974 HAD AGREED TO ADVANCE \$240,000 TO MEET DAY-TO-DAY EXPENSES. THE UK HAD STOPPED FURTHER DISBURSEMENTS, HOWEVER, WHEN IT DISCOVERED THAT \$600,000 ADVANCED TO GRENADA UNDER PREVIOUS AID PROGRAMS HAD BEEN "MISAPPROPRIATED."

4. GAIRY ALSO USED HIS PRESS CONFERENCE TO TAKE A SWIPE AT PRIME MINISTER ERIC WILLIAMS' CHARGES THAT VENEZUELA AND OTHER LATIN AMERICAN COUNTRIES WERE TRYING TO "RECOLONIZE" THE CARIBBEAN. HE SAID THAT GRENADA AND THE MAJORITY OF CARICOM MEMBERS REGARDED VENEZUELA AND OTHER LATIN AMERICAN COUNTRIES AS FRIENDLY AND "LACKING THE HYPOCRISY" OF THE BRITISH. HE WOULD NOT OBJECT TO ANY LATIN AMERICAN COUNTRY INVESTING IN GRENADA, HE SAID, OR TO THE ENTRY OF ANY TRANSNATIONAL COMPANY

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INTO HIS COUNTRY AS LONG AS THE GOVERNMENT HELD AT LEAST A 51 PERCENT INTEREST IN THE VENTURE.

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
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**Draft Date:** 12 MAY 1975  
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**Disposition Action:** n/a  
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**TAGS:** PFOR, EAID, EINV, EGEN, OCON, XM, UK, GJ, TD, ECLA, (WILLIAMS, ERIC E), (GAIRY, ERIC M)  
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